



General Assembly

January Session, 2005

Raised Bill No. 5893

LCO No. 2747

* _____HB05893PD_APP031505_____*

Referred to Committee on Planning and Development

Introduced by:
(PD)

AN ACT CONCERNING PAYMENTS IN LIEU OF TAXES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-19a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2005, and*
3 *applicable to assessment years commencing on or after October 1, 2005*):

4 (a) On or before January first, annually, the Secretary of the Office of
5 Policy and Management shall determine the amount due, as a state
6 grant in lieu of taxes, to each town in this state wherein state-owned
7 real property, reservation land held in trust by the state for an Indian
8 tribe or a municipally owned airport, except that which was acquired
9 and used for highways and bridges, but not excepting property
10 acquired and used for highway administration or maintenance
11 purposes, is located. The grant payable to any town under the
12 provisions of this section in the state fiscal year commencing July 1,
13 1999, and each fiscal year thereafter, shall be equal to the total of (1) (A)
14 one hundred per cent of the property taxes which would have been
15 paid with respect to any facility designated by the Commissioner of
16 Correction, on or before August first of each year, to be a correctional

17 facility administered under the auspices of the Department of
18 Correction or a juvenile detention center under direction of the
19 Department of Children and Families that was used for incarcerative
20 purposes during the preceding fiscal year. If a list containing the name
21 and location of such designated facilities and information concerning
22 their use for purposes of incarceration during the preceding fiscal year
23 is not available from the Secretary of the State on the first day of
24 August of any year, said commissioner shall, on said first day of
25 August, certify to the Secretary of the Office of Policy and
26 Management a list containing such information, (B) one hundred per
27 cent of the property taxes which would have been paid with respect to
28 that portion of the John Dempsey Hospital located at The University of
29 Connecticut Health Center in Farmington that is used as a permanent
30 medical ward for prisoners under the custody of the Department of
31 Correction. Nothing in this section shall be construed as designating
32 any portion of The University of Connecticut Health Center John
33 Dempsey Hospital as a correctional facility, and (C) in the state fiscal
34 year commencing July 1, 2001, and each fiscal year thereafter, one
35 hundred per cent of the property taxes which would have been paid
36 on any land designated within the 1983 Settlement boundary and
37 taken into trust by the federal government for the Mashantucket
38 Pequot Tribal Nation on or after June 8, 1999, (2) subject to the
39 provisions of [subsection (c)] subsections (c) and (g) of this section,
40 sixty-five per cent of the property taxes which would have been paid
41 with respect to the buildings and grounds comprising Connecticut
42 Valley Hospital in Middletown. Such grant shall commence with the
43 fiscal year beginning July 1, 2000, and continuing each year thereafter,
44 (3) notwithstanding the provisions of subsections (b) and (c) of this
45 section, with respect to any town in which more than fifty per cent of
46 the property is state-owned real property, one hundred per cent of the
47 property taxes which would have been paid with respect to such state-
48 owned property. Such grant shall commence with the fiscal year
49 beginning July 1, 1997, and continuing each year thereafter, (4) subject
50 to the provisions of [subsection (c)] subsections (c) and (f) of this

51 section, forty-five per cent of the property taxes which would have
52 been paid with respect to all other state-owned real property, and (5)
53 subject to the provisions of subsection (f) of this section, forty-five per
54 cent of the property taxes which would have been paid with respect to
55 all municipally owned airports, [;] except for the exemption applicable
56 to such property, on the assessment list in such town for the
57 assessment date two years prior to the commencement of the state
58 fiscal year in which such grant is payable. The grant provided
59 pursuant to this section for any municipally owned airport shall be
60 paid to any municipality in which the airport is located, except that the
61 grant applicable to Sikorsky Airport shall be paid half to the town of
62 Stratford and half to the city of Bridgeport. For the fiscal year ending
63 June 30, 2000, and in each fiscal year thereafter, the amount of the
64 grant payable to each municipality in accordance with this section
65 shall be reduced proportionately in the event that the total of such
66 grants in such year exceeds the amount appropriated for the purposes
67 of this section with respect to such year.

68 (b) As used in this section "total tax levied" means the total real
69 property tax levy in such town for the fiscal year preceding the fiscal
70 year in which a grant in lieu of taxes under this section is made,
71 reduced by the Secretary of the Office of Policy and Management in an
72 amount equal to all reimbursements certified as payable to such town
73 by the secretary for real property exemptions and credits on the
74 taxable grand list or rate bill of such town for the assessment year that
75 corresponds to that for which the assessed valuation of the state-
76 owned land and buildings has been provided. For purposes of this
77 section and section 12-19b, any real property which is owned by the
78 John Dempsey Hospital Finance Corporation established pursuant to
79 the provisions of sections 10a-250 to 10a-263, inclusive, or by one or
80 more subsidiary corporations established pursuant to subdivision (13)
81 of section 10a-254 and which is free from taxation pursuant to the
82 provisions of subdivision (13) of section 10a-259 shall be deemed to be
83 state-owned real property. As used in this section and section 12-19b,
84 "town" includes borough.

85 (c) In the fiscal year ending June 30, 1991, and in each fiscal year
86 thereafter, the portion of the grant payable to any town as determined
87 in accordance with subdivisions (2) and (4) of subsection (a) of this
88 section, shall not be greater than the following percentage of total tax
89 levied by such town on real property in the preceding calendar year as
90 follows: (1) In the fiscal year ending June 30, 1991, ten per cent, (2) in
91 the fiscal year ending June 30, 1992, twelve per cent, (3) in the fiscal
92 year ending June 30, 1993, fourteen per cent, (4) in the fiscal year
93 ending June 30, 1994, twenty-seven per cent, (5) in the fiscal year
94 ending June 30, 1995, thirty-five per cent, (6) in the fiscal year ending
95 June 30, 1996, forty-two per cent, (7) in the fiscal year ending June 30,
96 1997, forty-nine per cent, (8) in the fiscal year ending June 30, 1998,
97 fifty-six per cent, (9) in the fiscal year ending June 30, 1999, sixty-three
98 per cent, (10) in the fiscal year ending June 30, 2000, seventy per cent,
99 (11) in the fiscal year ending June 30, 2001, seventy-seven per cent, (12)
100 in the fiscal year ending June 30, 2002, eighty-four per cent, (13) in the
101 fiscal year ending June 30, 2003, ninety-two per cent, and (14) in the
102 fiscal year ending June 30, 2004, and in each fiscal year thereafter, one
103 hundred per cent.

104 (d) In the fiscal year commencing July 1, 1999, and in each fiscal
105 year thereafter, the Commissioner of Transportation shall pay from the
106 Bradley International Airport Enterprise Fund to the State
107 Comptroller, on or before September fifteenth, the portion of the state
108 grant in lieu of taxes payable under the provisions of this section at the
109 rate of twenty per cent of the property taxes which would have been
110 paid to the towns of East Granby, Suffield, Windsor and Windsor
111 Locks for real property located at Bradley International Airport. Such
112 payment shall be credited to the appropriation from the General Fund
113 for reimbursements to towns for loss of taxes on state property.

114 (e) Notwithstanding the provisions of this section in effect prior to
115 January 1, 1997, any grant in lieu of taxes on state-owned real property
116 made to any town in excess of seven and one-half per cent of the total
117 tax levied on real property by such town is validated.

118 (f) In the fiscal year ending June 30, 2006, and in each fiscal year
 119 thereafter, the amount of the grant provided pursuant to subdivisions
 120 (4) and (5) of subsection (a) of this section shall be the following per
 121 cent of the property taxes which would have been paid with respect to
 122 all other state-owned real property: (1) In the fiscal year ending June
 123 30, 2006, fifty per cent; (2) in the fiscal year ending June 30, 2007, fifty-
 124 five per cent; (3) in the fiscal year ending June 30, 2008, sixty per cent;
 125 (4) in the fiscal year ending June 30, 2009, sixty-five per cent; (5) in the
 126 fiscal year ending June 30, 2010, seventy per cent; (6) in the fiscal year
 127 ending June 30, 2011, seventy-five per cent; (7) in the fiscal year ending
 128 June 30, 2012, eighty per cent; (8) in the fiscal year ending June 30,
 129 2013, eighty-five per cent; (9) in the fiscal year ending June 30, 2014,
 130 ninety per cent; (10) in the fiscal year ending June 30, 2015, ninety-five
 131 per cent; and (11) in the fiscal year ending June 30, 2016, and in each
 132 fiscal year thereafter, one hundred per cent.

133 (g) In the fiscal year ending June 30, 2006, and in each fiscal year
 134 thereafter, the amount of the grant provided pursuant to subdivision
 135 (2) of subsection (a) of this section shall be the following per cent of the
 136 property taxes which would have been paid with respect to all other
 137 state-owned real property: (1) In the fiscal year ending June 30, 2006,
 138 seventy per cent; (2) in the fiscal year ending June 30, 2007, seventy-
 139 five per cent; (3) in the fiscal year ending June 30, 2008, eighty per cent;
 140 (4) in the fiscal year ending June 30, 2009, eighty-five per cent; (5) in
 141 the fiscal year ending June 30, 2010, ninety per cent; (6) in the fiscal
 142 year ending June 30, 2011, ninety-five per cent; and (7) in the fiscal year
 143 ending June 30, 2012, and in each fiscal year thereafter, one hundred
 144 per cent.

145 Sec. 2. Section 12-20a of the general statutes is repealed and the
 146 following is substituted in lieu thereof (*Effective October 1, 2005, and*
 147 *applicable to assessment years commencing on or after October 1, 2005*):

148 (a) On or before January first, annually, the Secretary of the Office of
 149 Policy and Management shall determine the amount due to each

150 municipality in the state, in accordance with this section, as a state
151 grant in lieu of taxes with respect to real property owned by any
152 private nonprofit institution of higher learning or any nonprofit
153 general hospital facility or free standing chronic disease hospital or an
154 urgent care facility that operates for at least twelve hours a day and
155 that had been the location of a nonprofit general hospital for at least a
156 portion of calendar year 1996 to receive payments in lieu of taxes for
157 such property, exclusive of any such facility operated by the federal
158 government, except a campus of the United States Department of
159 Veterans Affairs Connecticut Healthcare Systems, or the state of
160 Connecticut or any subdivision thereof. As used in this section "private
161 nonprofit institution of higher learning" means any such institution, as
162 defined in subsection (a) of section 10a-34, or any independent college
163 or university, as defined in section 10a-37, that is engaged primarily in
164 education beyond the high school level, and offers courses of
165 instruction for which college or university-level credit may be given or
166 may be received by transfer, the property of which is exempt from
167 property tax under any of the subdivisions of section 12-81; "nonprofit
168 general hospital facility" means any such facility which is used
169 primarily for the purpose of general medical care and treatment,
170 exclusive of any hospital facility used primarily for the care and
171 treatment of special types of disease or physical or mental conditions;
172 and "free standing chronic disease hospital" means a facility which
173 provides for the care and treatment of chronic diseases, excluding any
174 such facility having an ownership affiliation with and operated in the
175 same location as a chronic and convalescent nursing home.

176 (b) The grant payable to any municipality under the provisions of
177 this section in the state fiscal year commencing July 1, 1999, and [in
178 each fiscal year thereafter] until the fiscal year commencing July 1,
179 2005, shall be equal to seventy-seven per cent of the property taxes
180 which, except for any exemption applicable to any such institution of
181 higher education or general hospital facility under the provisions of
182 section 12-81, would have been paid with respect to such exempt real
183 property on the assessment list in such municipality for the assessment

184 date two years prior to the commencement of the state fiscal year in
 185 which such grant is payable. In the state fiscal year commencing July 1,
 186 2006, and in each fiscal year thereafter, the amount of the grant shall be
 187 the following per cent of the property taxes which would have been
 188 paid with respect to such property: (1) In the fiscal year commencing
 189 July 1, 2006, eighty-two per cent; (2) in the fiscal year commencing July
 190 1, 2007, eighty-seven per cent; (3) in the fiscal year commencing July 1,
 191 2008, ninety-two per cent; (4) in the fiscal year commencing July 1,
 192 2009, ninety-seven per cent; and (5) in the fiscal year commencing July
 193 1, 2010, one hundred per cent. The amount of the grant payable to each
 194 municipality in any year in accordance with this section shall be
 195 reduced proportionately in the event that the total of such grants in
 196 such year exceeds the amount appropriated for the purposes of this
 197 section with respect to such year.

198 (c) Notwithstanding the provisions of subsection (b) of this section,
 199 the amount of the grant payable to any municipality under the
 200 provisions of this section with respect to a campus of the United States
 201 Department of Veterans Affairs Connecticut Healthcare Systems shall
 202 be as follows: (1) For the fiscal year ending June 30, 2007, twenty per
 203 cent of the amount payable in accordance with said subsection (b); (2)
 204 for the fiscal year ending June 30, 2008, forty per cent of such amount;
 205 (3) for the fiscal year ending June 30, 2009, sixty per cent of such
 206 amount; (4) for the fiscal year ending June 30, 2010, eighty per cent of
 207 such amount; (5) for the fiscal year ending June 30, 2011, and each
 208 fiscal year thereafter, one hundred per cent of such amount.

209 (d) As used in this section and section 12-20b, the word
 210 "municipality" means any town, consolidated town and city,
 211 consolidated town and borough, borough, district, as defined in
 212 section 7-324, and any city not consolidated with a town.

213 Sec. 3. Section 12-94b of the general statutes is repealed and the
 214 following is substituted in lieu thereof (*Effective July 1, 2005, and*
 215 *applicable to assessment years commencing on or after October 1, 2005*):

216 On or before March fifteenth, annually, commencing March 15,
217 1998, the assessor or board of assessors of each municipality shall
218 certify to the Secretary of the Office of Policy and Management, on a
219 form furnished by said secretary, the amount of exemptions approved
220 under the provisions of subdivisions (72) and (74) of section 12-81
221 together with such supporting information as said secretary may
222 require including the number of taxpayers with approved claims
223 under said subdivisions (72) and (74) and the original copy of the
224 applications filed by them. Said secretary shall review each such claim
225 as provided in section 12-120b. Not later than December first next
226 succeeding the conclusion of the assessment year for which the
227 assessor approved such exemption, the secretary shall notify each
228 claimant of the modification or denial of the claimant's exemption, in
229 accordance with the procedure set forth in section 12-120b. Any
230 claimant aggrieved by the results of the secretary's review shall have
231 the rights of appeal as set forth in section 12-120b. With respect to
232 property first approved for exemption under the provisions of
233 subdivisions (72) and (74) of section 12-81 for the assessment years
234 commencing on or after October 1, 2000, but before October 1, 2006,
235 the grant payable for such property to any municipality under the
236 provisions of this section shall be equal to eighty per cent of the
237 property taxes which, except for the exemption under the provisions of
238 subdivisions (72) and (74) of section 12-81, would have been paid. In
239 the assessment years commencing on and after October 1, 2006, the
240 amount of the grant shall be equal to the following per cent of the
241 property taxes which would have been paid: (1) In the assessment year
242 commencing October 1, 2006, eighty-five per cent; (2) in the assessment
243 year commencing October 1, 2007, ninety per cent; (3) in the
244 assessment year commencing October 1, 2008, ninety-five per cent; and
245 (4) in the assessment year commencing October 1, 2009, and in each
246 assessment year thereafter, one hundred per cent. The secretary shall,
247 on or before December fifteenth, annually, certify to the Comptroller
248 the amount due each municipality under the provisions of this section,
249 including any modification of such claim made prior to December first,

250 and the Comptroller shall draw an order on the Treasurer on or before
 251 the twenty-fourth day of December following and the Treasurer shall
 252 pay the amount thereof to such municipality on or before the thirty-
 253 first day of December following. If any modification is made as the
 254 result of the provisions of this section on or after the December
 255 fifteenth following the date on which the assessor has provided the
 256 amount of the exemption in question, any adjustments to the amount
 257 due to any municipality for the period for which such modification
 258 was made shall be made in the next payment the Treasurer shall make
 259 to such municipality pursuant to this section. The amount of the grant
 260 payable to each municipality in any year in accordance with this
 261 section shall be reduced proportionately in the event that the total of
 262 such grants in such year exceeds the amount appropriated for the
 263 purposes of this section with respect to such year. As used in this
 264 section, "municipality" means each town, city, borough, consolidated
 265 town and city and consolidated town and borough and each district, as
 266 defined in section 7-324, and "next succeeding" means the second such
 267 date.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2005, and applicable to assessment years commencing on or after October 1, 2005</i> | 12-19a |
| Sec. 2 | <i>October 1, 2005, and applicable to assessment years commencing on or after October 1, 2005</i> | 12-20a |
| Sec. 3 | <i>July 1, 2005, and applicable to assessment years commencing on or after October 1, 2005</i> | 12-94b |

PD

Joint Favorable C/R

APP